

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

SUBJECT: Approval of Minutes of the September 6, 2000
Investment Committee, Open Session

ITEM NUMBER: 3

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: October 11, 2000

INFORMATION: _____

PRESENTER(S): Chairperson

Proposed minutes of the Investment Committee Meeting held in open session September 6, 2000 are submitted on the following pages.

**PROPOSED
MINUTES OF THE
INVESTMENT COMMITTEE MEETING
OF THE
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
SEPTEMBER 6, 2000
OPEN SESSION
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA**

COMMITTEE MEMBERS PRESENT

Gary Lynes, Chairperson
Yvonne Gallegos Bodle
George Fenimore
Marty Mathiesen
Lillian Raffel
Emma Zink
Philip Angelides, State Treasurer
Walter Barnes, representing State Controller
Kathleen Connell
Curt Robinson, representing State Superintendent of Public Instruction
Delaine Eastin
Annette Porini, representing State Director of Finance
Tim Gage

OTHER BOARD MEMBERS OR REPRESENTATIVES PRESENT

Jennifer DuCray Morrill
Chris Drevalas

STAFF PRESENT

James Mosman, Chief Executive Officer
Elleen Okada, Director of Investment Administration and External Relations
Chris Waddell, Chief Counsel
Michelle Cunningham, Director of Fixed Income
Steven Tong, Director of Internal Equities
Real Desrocher, Director of Alternative Investments
Mike DiRé, Director of Real Estate
Richard Rose, Principal Investment Officer
Mary Ann Avansino, Administrative Assistant

OTHERS PRESENT

Allan Emkin, Pension Consulting Alliance
Nori Gerardo Lietz, Pension Consulting Alliance
Doug Le Bon, Pathway Capital Management

A quorum being present, Chairperson Lynes called the open session meeting to order at 3:40 p.m.

- I. **ANNOUNCEMENTS** (Item 2)
There were no announcements.
- II. **APPROVAL OF MINUTES OF THE JULY 12, 2000 INVESTMENT COMMITTEE, OPEN SESSION** (Item 3)
MOTION duly made by Mr. Fenimore, seconded by Ms. Porini and carried to approve the minutes of the July 12, 2000, Investment Committee, Open Session as presented.
- III. **REAL ESTATE – JOINT VENTURE POLICY** (Item 5)
Mr. DiRé discussed an amendment to include joint ventures as an additional option for investment ownership structure.

MOTION duly made by Mr. Fenimore, seconded by Dr. Bodle and carried to adopt Real Estate Policies as amended to include joint ventures.
- IV. **LEGISLATION** (Item 6)
Mr. Mosman reported that AB 107, AB 2745, and SB 1928 did not pass the legislature.
- V. **CREDIT ENHANCEMENT PROGRAM – ACTIVITY STATUS REPORT** (Item 7)
Mr. Rose presented updates to the written report.
- VI. **REAL ESTATE – ACTIVITY STATUS REPORT** (Item 8)
Mr. DiRé presented updates to the written report. He reported that the low risk allocation target ranges had been met and that focus in the future will be on achieving allocation targets for moderate and high-risk segments.

Mr. Angelides arrived at the meeting at 4:10 p.m.
- VII. **ALTERNATIVE INVESTMENTS - ACTIVITY STATUS REPORT** (Item 9)
Mr. Desrocher presented the written report. He reported that there had been \$214 million in stock distribution from alternative investment partnerships in the month of July.
- VIII. **GENERAL – 2000/01 INVESTMENT BRANCH OBJECTIVES** (Item 4)
Mr. Mosman presented proposed 2000/01 Investment objectives. Discussion ensued. The Committee made modifications to the following sections: Alternative Investments – Objective 2 change month to January, Objective 5 delete the words “Explore and, if feasible”; and Real Estate – Objective 4 replace with “Present an implementation plan for urban real estate investments. November 2000.

MOTION duly made by Mr. Angelides, seconded by Mr. Fenimore and carried to adopt a resolution to approve the 2000/01 Investment Branch Objectives as modified pending final review by the incoming Chief Investment Officer.
- IX. **REPORT OF THE CHIEF INVESTMENT OFFICER** (Item 10)
Mr. Mosman presented the written report.
- X. **DRAFT AGENDA FOR OCTOBER INVESTMENT COMMITTEE MEETING** (Item 11)
Mr. Mosman presented a draft agenda for the October Investment Committee meeting.
- XI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC** (Item 12)

There were no statements from the public.

XII. **MOVE TO CLOSED SESSION**

Chairperson Lynes recessed the meeting at 4:53 p.m. and reconvened into closed session.

XIII. **ADJOURNMENT**

Chairperson Lynes announced that while in closed session, the Committee discussed matters pertaining to personnel and investment decisions. There being no further business to conduct, Chairperson Lynes adjourned the meeting at 7:37 p.m.

James D. Mosman, Chief Executive Officer and Secretary to the
Teachers' Retirement Board

Gary Lynes, Chairperson